VZCZCXRO3440 PP RUEHFK DE RUEHKO #7125 3600204 ZNR UUUUU ZZH P 260204Z DEC 06 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 9353 RUEKJCS/SECDEF WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA PRIORITY RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RHHMHBA/COMPACFLT PEARL HARBOR HI//N541// PRIORITY RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// PRIORITY RUHBANB/OKINAWA FLD OFC US FORCES JAPAN CP BUTLER JA PRIORITY RHMFIUU/COMUSJAPAN YOKOTA AB JA PRIORITY INFO RUEHFK/AMCONSUL FUKUOKA 9297 RUEHOK/AMCONSUL OSAKA KOBE 2735 RUEHBJ/AMEMBASSY BEIJING 5299 RUEHMO/AMEMBASSY MOSCOW 1441 RUEHUL/AMEMBASSY SEOUL 1389 RUCNDT/USMISSION USUN NEW YORK 2849 RHEHAAA/NSC WASHDC

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SUBJECT: MEDIA REACTION - SIX-PARTY TALKS/IRAN - TOKYO

LEAD STORIES: Tuesday morning's Yomiuri front-paged a finding that North Korea has started selling gold bullion on the international market to acquire hard currency since the US imposed financial sanctions on the North last year. The daily said Pyongyang has exported bullion worth 28 million USD to Thailand.

- 11. "Sanctions on DPRK Should Be Strengthened" The topcirculation, moderate Yomiuri editorialized (12/23): "The six-party talks on North Korea's nuclear ambitions went into recess without any substantial progress or even a date for the next round.... There is no meaningful way in which the six-party talks can continue if the participating countries cannot stop Pyongyang's push for nuclear development. The other five countries Japan, the US, China, South Korea and Russia must work out a common strategy, including strengthened sanctions, to deal with this issue.... North Korea avoided bilateral talks with Japan. It did not show a sincere attitude toward addressing the abduction issue, to which Japan attaches great importance. As things stand, the international community has little choice but to strengthen sanctions on Pyongyang."
- 12. "UNSC Resolution Should Be Used as an Opportunity to Induce Change in Iran" An editorial in the business-oriented Nihon Keizai stated (12/26): "For the first time, the UN Security Council (UNSC) has adopted a resolution imposing sanctions on Iran over its nuclear programs. In an earlier resolution adopted in July, the UNSC urged Tehran to halt uranium enrichment by the end of August. Defying this, Iran has been continuing to enrich uranium. Tehran should accept this unanimous UNSC resolution in a serious manner.... If Russia and China continue to prioritize their economic interests, it will send the

wrong message to Tehran. A unified international diplomatic approach is indispensable to inducing Iran to change course."

13. "Don't Miss Signs of Change in Iran" The liberal Asahi editorialized (12/26): "The UNSC adopted a sanctions resolution against Iran for the first time. But considering the signs of change there as manifested in recent local elections, the international community needs to maintain a flexible stance towards Tehran. Noteworthy was the fact that conservative hardliners suffered crushing defeats. Pro-Rafsanjani and pro-Khatami clerics also gained in influence.... We want to support the budding change in sentiment in Iran. To this end, the US should step away from its hostile policy. Without dialogue, it will be impossible to effect a change in Iran's nuclear policy."

DONOVAN